



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TTY/TDD 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

2a

Bill Dodd, Chair
Napa County and Cities

Scott Haggerty, Vice Chair
Alameda County

Tom Ammiano
City and County of San Francisco

Tom Azumbrado
U.S. Department of Housing
and Urban Development

Tom Bates
Cities of Alameda County

Bob Blanchard
Sonoma County and Cities

Dean Chu
Cities of Santa Clara County

Dave Cortese
Association of Bay Area Governments

Dorene M. Giacomini
U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Anne W. Halsted
San Francisco Bay Conservation
and Development Commission

Steve Kinsey
Marin County and Cities

Sue Lempert
Cities of San Mateo County

Jon Rubin
San Francisco Mayor's Appointee

Bijan Sartipi
State Business, Transportation
and Housing Agency

James P. Spering
Solano County and Cities

Adrienne J. Tissier
San Mateo County

Amy Worth
Cities of Contra Costa County

Ken Yeager
Santa Clara County

Steve Heminger
Executive Director

Ann Flemer
Deputy Executive Director, Operations

Andrew Fremier
Deputy Executive Director,
Bay Area Toll Authority

Therese W. McMillan
Deputy Executive Director, Policy

ADMINISTRATION COMMITTEE

April 11, 2007
MINUTES

Attendance

Vice-Chairperson Bates called the meeting to order at 10:03 a.m. Other Commissioners present were: Dodd, Haggerty, Ammiano, Chu, Cortese, Giacomini, Glover, Halsted, Kinsey, Lempert, Rubin, and Tissier.

CONSENT

Minutes

The Committee received and approved as written the meeting minutes of March 7, 2007.

Contract Amendment – Network Security & Performance: Sable Computer, Inc.

The Committee authorized the Executive Director or his designee to negotiate and enter into a contract amendment with Sable Computer, Inc., MTC's IT Security Assessment Consultant, in an amount not to exceed \$50,000 in FY 2006-07 to support the secure deployment of a centralized desktop computer management system.

MONTHLY FINANCIAL STATEMENTS

The Committee accepted in writing the following monthly financial reports for the month of February: Operating Income for February 2006; Report of Operating Expenditures for FY 2005-06 through February 2006; Report of Capital Projects for FY 2005-06 through February 2006; FY 2005-06 Contract Services Disbursement Report for February 2006.

For the month of February 2006, the monthly financial report included three contracts executed by the Executive Director in the amount of \$100,000 and under, and eleven purchase orders executed by the Executive Director between \$2,500 and \$55,000.

The Committee reviewed a comparison between budget and actual revenue and expenditures through February 2006.

INVESTMENT REPORT

The Committee accepted for information the Investment Reports for the month of February 2006.

CONTRACTS

Contract – Financial & Compliance Audits for FY 2006-07: PricewaterhouseCoopers, LLP

Eva Sun, MTC Finance Section staff, presented staff's recommendation to enter into a five-year contract with PricewaterhouseCoopers, LLP (PWC), to act as financial and compliance auditor for MTC, BATA, MTC SAFE, and BAIFA, with two one-year options to extend the contract through FY 2012-2013 and for the IT and Business Review of the FasTrak® Customer Service Center.

Public speakers Ken Macias and David Bullock of Macias, Gini, and O'Connell requested that the Committee delay its decision because they were not aware of the additional work being recommended for FasTrak® at the time that they submitted their statement of qualifications. They stated that they have substantial experience in this area and would have submitted a proposal had it been part of the procurement. Mr. Bullock suggested that the Committee reopen the request for qualifications (RFQ) to allow all the firms to bid on the FasTrak® portion, that the Committee separate the financial audit from the consulting work, or that the Committee limit the term of the contract for auditor to three years, stating that PWC would be MTC's auditor for 17 years if awarded the contract as proposed by staff.

Eva Sun responded that the RFQ was to select a fiscal year auditor and traditionally once the auditor is secured, MTC may add additional services. In this case, after PWC was selected, staff solicited a quote for the IT and Business Review of the FasTrak® Center, which is a separate engagement.

Commissioner Haggerty inquired as to what the formal bid protest process entails. General Counsel Francis Chin explained the bid protest can only occur after the Committee approves an award and briefly described the protest process described in the RFQ.

Commissioner Tissier questioned whether or not it is usual for additional work to be requested before the contract has been awarded. Mr. Chin responded by stating this work is usually amended into the contract after the contract has been awarded.

Vice Chair Bates asked whether postponing this item to another meeting would create a problem in terms of the timing of the fiscal audit. Mr. Chin's response was that there would be a problem if we had to go through the entire process because we have a fiscal year closing and the FY 2006-2007 audit process begins on June 30.

Commissioner Kinsey suggested that the award be deferred until the Commission meeting to allow staff time to review some of the concerns raised by the public speakers today.

Commissioner Dodd agreed with this suggestion and directed staff to come back to the Commission on April 25 prepared to talk about whether it is prudent to retain the same audit

firm for 17 years, which seemed to him to be excessive. Commissioner Rubin requested that the staff include clear, concise answers to the questions raised by the public speakers.

The Committee voted unanimously to defer action on this item to the Commission meeting and requested that staff prepare a report, to be sent to the Commissioners in advance of the meeting, to address the issues brought forth in the course of the Administration meeting, including:

- Is it a prudent audit practice to award a new audit contract to PWC, given the length of time they have already served as MTC's auditor?
- Did the proposed review of business and IT controls at the Fastrak® Center, which was not mentioned in the request for qualifications (RFQ), influence the selection of PWC as fiscal auditor?
- Does the selection of PWC to perform both financial and management audits compromise their independence?

Creation of Ad Hoc Audit Committee

The Committee authorized the creation of an ad hoc audit committee to consist of the Chair of MTC and the Chairs of the MTC Administration, BATA Oversight, and MTC SAFE Operations Committees.

Amendment to Resolution No. 3808: FY 2007-08 Overall Work Program (OWP), Planning Certification, and Authorization for Execution of Agreement for Federal Planning Grants

The Committee authorized the referral of MTC Resolution No. 3808, Revised, to the Commission to amend MTC's Overall Work Program (OWP) for transportation planning activities in the nine-county San Francisco Bay Area for FY 2007-08 and to apply for and execute an agreement with the U.S. Department of Transportation for grants to aid in the financing of the OWP.

MTC Resolution No. 3619, Revised

The Committee authorized the referral of a revision to MTC Resolution No. 3619, to the Commission to authorize the Executive Director or his designee to enter into change orders or amendments up to the dollar value of an approved contract contingency, which may exceed the limits of the Executive Director's current authority. Amendments or change orders that exceed the approved contract allotment will continue to be subject to the current delegations: 10% of the original contract amount or \$25,000, whichever is greater, not to exceed \$100,000.

BUSINESS MEETING EXPENSES

Andrew Fremier, Deputy Executive Director reported there are no anticipated expenses to report for the month of December.

OTHER BUSINESS/PUBLIC COMMENT/ADJOURNMENT/NEXT MEETING

There being no further business or public comment, the meeting was adjourned at 10:29 a.m. The next Committee meeting date will be on May 9, 2007 in the Lawrence D. Dahms Auditorium, 101 Eighth Street, Oakland, CA.